



## REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

CONSENT  
August 7, 2008

Honorable Mayor and  
Members of the City Council

**Title: Contract: Fuel Site Testing, Maintenance, Monitoring, and Reporting Services**

**Location/Council District:** Citywide

**Recommendation:** Adopt a **Resolution:** 1) awarding Walton Engineering, Inc., the lowest responsive and responsible bidder, a one-year contract with two one-year renewal options for testing, maintenance, monitoring, and reporting services for the City's fuel storage and dispensing sites in an amount not to exceed \$155,000 for the three year period; and 2) authorizing the City Manager or the City Manager's designee to execute the contract specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

**Contacts:** Keith Leech, Fleet Manager, 808-5869

**Presenters:** Not applicable

**Department:** General Services

**Division:** Fleet Management

**Organization No:** 3259

**Description/Analysis:**

**Issue:** The Department of General Services, Fleet Management Division, has an ongoing need to maintain compliance with federal, state and local governmental regulations regarding testing, maintenance, monitoring, and reporting for the City's fuel storage and dispensing sites.

**Policy Considerations:** The recommendations in this report are in accordance with the provisions of City Code Section 3.56.

**Committee/Commission Action:** Not applicable



**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The current project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Section 15061(b)(3) which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and Section 15301 relating to projects for repairs and maintenance of existing City facilities. The current proposal involves testing, maintenance, monitoring, and reporting for the City’s fuel storage and dispensing sites.

**Sustainability Considerations:** The Department of General Services, Fleet Management Division maintains City owned fuel storage and dispensing sites with capacity for unleaded gasoline, diesel fuel, liquified natural gas (LNG) and propane for vehicles and mobile equipment. This contract will be used to ensure compliance with federal, state and local governmental regulations.

**Rationale for Recommendation:** In support of City departments, the Department of General Services, Fleet Management Division is responsible for maintaining the City’s fuel storage and dispensing sites and ensuring compliance with federal, state and local governmental regulations.

In June 2008, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B081181062 for fuel storage and dispensing site testing, maintenance, monitoring, and reporting services. Three responses were received. The lowest responsive and responsible bidder was determined to be Walton Engineering, Inc. A summary of the bid results is provided in Attachment 1.


**Financial Considerations:** This report recommends awarding and executing a one-year contract with two one-year renewal options with Walton Engineering, Inc., for fuel storage and dispensing site testing, maintenance, monitoring, and reporting services. The estimated annual amounts are as follows:

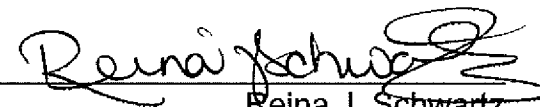
Vendor	Year 1 Estimate	Year 2 Estimate	Year 3 Estimate	Total Contract Amount
Walton Engineering, Inc.	\$ 45,000	\$ 51,000	\$ 59,000	\$155,000

The potential three year term of this contract will begin in FY2008/09 and conclude in FY2011/12. Pricing for years 2 – 3 will be at the original bid price plus a potential annual price increase not to exceed 15% to allow for the potential for new fuel facilities


and increasingly stringent environmental compliance regulations. If the City determines that a proposed contract price increase is not justified then the contract can be terminated and these services rebid. Sufficient funds are available in the Department of General Services, Fleet Management, FY2008/09 operating budget to purchase the required services through June 30, 2009. Purchases after June 30, 2009 are subject to funding availability in the adopted budget of the applicable fiscal year.

**Emerging Small Business Development (ESBD):** Walton Engineering, Inc. is not certified as an emerging/small business firm. As of May 31, 2008, the Department of General Services achieved an ESBD percentage of 36.84% for FY2007/08.

Respectfully submitted by:   
Keith Leech  
Fleet Manager

Approved by:   
Reina J. Schwartz  
Director, Department of General Services

Recommendation Approved:

  
Ray Kerridge  
City Manager

**Table of Contents:**

Report Pg 1

**Attachments**

1 Bid Results Pg 4  
2 Resolution Pg 5

**Attachment 1**

**BID RESULTS - BID NO. B081181062**

<b>Bidders</b>	<b>Armour Petroleum</b>	<b>Kaiser Commercial Petroleum</b>	<b>Walton Engineering, Inc.</b>
Fuel site testing, maintenance, monitoring, and reporting services			
Total - Items 1 through 18	\$81,000.00	\$66,897.58	\$44,074.00
ESBE Pref - 5% *	None	-\$3,344.88	None
Prompt Payment Discount *	-\$810.00	None	None
1% City Limit Preference *	None	None	None
Subtotal	\$80,190.00	\$63,552.70	\$44,074.00
Bid Evaluation Total*	\$80,190.00	\$63,552.70	\$44,074.00
<b>Bid Total</b>	<b>\$81,000.00</b>	<b>\$66,897.58</b>	<b>\$44,074.00</b>

\* For bid evaluation purposes only, not a payment discount.

**Award of contract to:**

Walton Engineering, Inc.  
 3900 Commerce Drive  
 West Sacramento, CA 95691

**Total Contract Amount (3 years):     \$155,000\*\***

No. of E/SBE  
 Bids Solicited  
 1

No. of E/SBE  
 Responses  
 1

Award to  
 E/SBE Vendor?  
 No

\*\*The lowest responsible bid amount of \$44,074 represents the total for the estimated services selected for evaluation purposes only. Authorization is requested to enter into a contract in a total amount not to exceed \$155,000, which includes a 15% increase per contract year to allow for the potential for new fuel facilities and for increasingly stringent environmental regulations. The total contract amount of \$155,000 more closely reflects the actual amount anticipated to be expended overall for the potential three year contract.

**RESOLUTION NO. 2008-XXXX**

Adopted by the Sacramento City Council

**August 7, 2008**

**AWARD CONTRACT FOR FUEL SITE TESTING, MAINTENANCE, MONITORING,  
AND REPORTING SERVICES**

**BACKGROUND**

- A. The Department of General Services, Fleet Management Division, has a requirement for fuel storage and dispensing site testing, maintenance, monitoring, and reporting services in order to maintain compliance with federal, state and local governmental regulations.
- B. In June 2008, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B081181062 for fuel storage and dispensing site testing, maintenance, monitoring, and reporting services. The lowest responsive and responsible bidder was determined to be Walton Engineering, Inc.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

- Section 1. Walton Engineering, Inc. is awarded a one-year contract with two one-year renewal options for fuel storage and dispensing site testing, maintenance, monitoring, and reporting services in an amount not to exceed \$155,000 for the three year period.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the contract specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).